

# Mineral Industry Surveys

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## GOLD IN NOVEMBER 2005

U.S. mines produced 22,900 kilograms (kg) of gold in November, a 1% increase compared with that of October, according to the U.S. Geological Survey. The daily production rate of gold in November was 764 kg, an improvement as compared with the annual average of 707 kg for 2004 and the monthly average of 729 kg in October 2005.

Engelhard Industries' average gold price for November was \$476.32 per troy ounce, 1% more than the average October price. The price increases in November were attributed to a report that stated that the gold supply was expected to be in deficit for the second year in a row (Mining Journal, 2005).

The Kettle River gold mine, the only gold mine in Washington State, was closed and its workers were dismissed. The owner, Kinross Gold (Toronto, Ontario, Canada), announced that the mine was out of ore and retrenchment was started (Platts Metals Week, 2005a). Production in the third quarter was 492 kg of gold equivalent (Kinross Gold Corporation, 2005).

According to the Nevada Division of Minerals, exploration budgets in 2004 in Nevada increased by 15% to \$79.7 million and were projected to increase 40% in 2005. The exploration increase was caused by higher gold prices and was focused in Eureka, Humboldt, and Lander counties (Mining Engineering, 2005).

Barrick Gold Corporation (Toronto) continued to acquire outstanding shares of Placer Dome Inc. (Vancouver, British Columbia, Canada). However, Placer Dome advised its shareholders to reject the Barrick takeover bid. The original offer was set to expire December 20 and, if accepted, would create the world's largest gold producing company with an annual production

of 300,000 kg of gold or approximately 8% of world gold production in 2004 (Blamey, 2005).

South Africa gold production dropped by 15% in the third quarter of 2005 as compared with that of the third quarter 2004, but only dropped 1% as compared with that of the second quarter 2005. The reduction in mine production was caused by restructuring brought on by rising costs and the fall in the rand gold price (Platts Metals Week, 2005b).

### Update

Barrick announced on January 19, that it had acquired 81% of Placer Dome stocks and had extended the takeover offer until February 3 (Barrick Gold Corporation, 2006).

### References Cited

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TABLE 1  
MINE PRODUCTION OF RECOVERABLE GOLD  
IN THE UNITED STATES, BY STATE<sup>1</sup>

(Kilograms)

	California	Nevada	Other States <sup>2</sup>	Total
2004: <sup>P</sup>				
November	126	18,300	3,900	22,400
December	W	20,500	3,840	24,400
January-December	3,260	216,000	38,800	258,000
2005:				
January	W	15,600	3,800	19,400
February	W	14,600	3,410	18,000
March	159	20,300	3,730	24,200
April	W	17,000	4,060	21,100
May	W	16,900	3,520	20,400
June	W	18,500	3,590	22,100
July	W	18,100	3,500	21,600
August	W	19,700	3,850	23,600
September	W	19,600	3,910	23,600
October	W	19,100 <sup>r</sup>	3,490 <sup>r</sup>	22,600 <sup>r</sup>
November	W	19,200	3,700	22,900
January-November	159	199,000	40,600	239,000

<sup>P</sup>Preliminary. <sup>r</sup>Revised. W Withheld to avoid disclosing company proprietary data; included with "Other States."

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes Alaska, Arizona, Colorado, Idaho, Montana, South Dakota, Utah, Washington, and State indicated by symbol W.

TABLE 2  
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2004:	
Low/date	376.29 May 10
High/date	455.62 Dec. 2
Average	410.52
2005:	
September:	
Low/date	441.00/1
High/date	474.70/30
Average	457.95
October:	
Low/date	464.29/21
High/date	476.96/11
Average	471.35
November:	
Low/date	457.93/7
High/date	497.49/28 and 29
Average	476.32
Year to date:	
Low/date	412.45 Feb. 8
High/date	497.49 Nov. 28 and 29
Average	440.24
Handy and Harman:	
2004, average	409.21
2005:	
September	456.52
October	469.90
November	474.87
Year to date	438.87
London Final:	
2004, average	409.21
2005:	
September	456.05
October	469.90
November	476.67
Year to date	438.95

Source: Platts Metals Week.

TABLE 3  
U.S. IMPORTS AND EXPORTS OF GOLD<sup>1</sup>

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates <sup>2</sup>	Doré and precipitates	Refined bullion <sup>3</sup>	Total <sup>4</sup>	Waste and scrap (gross weight)	Metal powder (gross weight)	Gold compounds (gross weight)
Imports for consumption:							
2004	1,860	142,000	139,000	283,000	20,500	10,900	60,000
2005:							
August	224	15,800	7,340	23,300	2,060	96	4,560
September	134	20,200	12,700	33,000	2,380	12	2,120
October:							
Brazil	--	--	1,140	1,140	--	--	--
Canada	260	--	5,770	6,030	281 <sup>5</sup>	3 <sup>5</sup>	--
Chile	--	861	475	1,340	--	--	--
Colombia	--	1,680	40	1,720	191	--	--
Costa Rica	--	--	--	--	127 <sup>5</sup>	--	--
Dominican Republic	--	1	--	1	1,190 <sup>5</sup>	31 <sup>5</sup>	--
El Salvador	--	--	--	--	69 <sup>5</sup>	--	--
Germany	--	--	--	--	--	1 <sup>5</sup>	537 <sup>5</sup>
Honduras	--	92	81	173	20	--	--
Hong Kong	--	--	157	157	--	--	--
Mexico	--	117	2,920	3,040	725	6 <sup>5</sup>	--
Nicaragua	--	187	--	187	20 <sup>5</sup>	--	--
Peru	--	9,030	--	9,030	--	--	--
Other	4	32	119 <sup>5</sup>	155	114 <sup>5</sup>	12 <sup>5</sup>	3 <sup>5</sup>
Total	264	12,000	10,700	23,000	2,740	55	540
Year to date	1,330	199,000	85,800	286,000	20,700	1,840	27,600
Exports:							
2004	1,150	142,000	114,000	257,000	725,000	647	1,170,000
2005:							
August	105	12,200	13,400	25,700	44,000	62	111,000
September	118	11,600	13,800	25,500	32,200	109	79,900
October:							
Australia	--	--	109	109	--	--	--
Canada	--	--	5 <sup>5</sup>	5	5,890	1 <sup>5</sup>	14,600 <sup>5</sup>
China	--	--	6	6	--	--	1,350 <sup>5</sup>
Dominican Republic	69	--	2	71	--	--	1,610 <sup>5</sup>
Germany	5	--	313	318	4,200	(6) <sup>5</sup>	656 <sup>5</sup>
Guatemala	--	--	124	124	81	--	--
Hong Kong	--	--	20	20	--	--	2,580 <sup>5</sup>
Israel	--	--	115	115	--	--	2,490 <sup>5</sup>
Italy	--	--	--	--	--	--	869 <sup>5</sup>
Malaysia	--	--	113	113	--	--	--
Mexico	--	--	518 <sup>5</sup>	518	--	--	1,560 <sup>5</sup>
Netherlands	--	--	--	--	--	--	383 <sup>5</sup>
New Zealand	--	--	--	--	--	--	214 <sup>5</sup>
Singapore	--	--	--	--	--	--	64,800 <sup>5</sup>
Switzerland	--	13,300	4,510	17,800	--	1	--
Thailand	--	--	1,000	1,000	--	--	--
United Kingdom	10	--	9,390	9,400	29,900	10 <sup>5</sup>	240 <sup>5</sup>
Other	12 <sup>5</sup>	--	235	247	69	34	--
Total	96	13,300	16,500	29,900	40,100	46	91,300
Year to date	1,150	117,000	159,000	276,000	490,000	619	1,080,000

-- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes gold content of base metal ores, concentrates, and matte imported for refining.

<sup>3</sup>Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

<sup>4</sup>"Waste and scrap," "Metal powder," and "Gold compounds" not included in "Total."

<sup>5</sup>All or part of these data have been referred to the U.S. Census Bureau for verification.

<sup>6</sup>Less than ½ unit.

Source: U.S. Census Bureau.